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NEWS RELEASE

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Commodities Investment Promoter Charged with Securities Fraud, Theft

Warner took \$454,250 from nine investors, including \$20,000 from a senior citizen . . .

SALT LAKE CITY, Utah – Kevin Larry Warner, of West Point, Utah was charged today with 18 felony counts of securities fraud, theft, exploitation of the elderly, and racketeering for a series of fraudulent commodities investments he sold to nine Davis and Weber County investors. The charges were filed by the Financial Crimes Unit of the Utah Attorney General's Office.

The charging documents describe how Warner was alleged to have taken money from investors for one or more of the following schemes:

- The right to receive a fee for all commodities trades conducted by Warner's company, SCI Partners;
- Ownership interests in a limited liability company;
- Issuing promissory notes, promising as much as 18% a year;
- Pooling money from multiple investors to engage in commodities speculation;
- Pooling money from investors to buy stock index funds and foreign exchange;
- A plan to earn fees by teaching others how to trade commodities.

Warner is alleged to have taken \$454,250 from nine investors through these various schemes. He made monthly payments to a few investors, but still owes \$432,950 to the investors.

He is charged with nine counts of securities fraud, seven counts of theft, one count of exploitation of the elderly (for taking \$20,000 from a 69-year-old investor), and one count of engaging in a pattern of unlawful activity for using proceeds from one scheme to fund other investment schemes. The theft counts are based on allegations Warner used investor funds for personal expenses, including cash withdrawals, paying phone bills, office rent, payroll expenses, and for paying off earlier investors who had complained. The securities fraud counts are based on Warner's failure to disclose to investors how the funds were being used, that he had outstanding unpaid judgments against him, that he had previously filed for bankruptcy, and that account statements provided to investors were fraudulent – created by Warner on his computer.

The Utah Division of Securities initiated administrative proceedings on September 10, 2007 against Warner and six of his companies: SCI Partners, LLC; Strategic Traders, LLC; Strategic Investors, LLC; Pro Traders Club, LLC; Go 2 Investments, LLC; and Kevin L. Warner, LLC.